

Message Text

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INFO AMEMBASSY TEL AVIV

AMEMBASSY AMMAN

AMEMBASSY CAIRO

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY DOHA

AMEMBASSY MANAMA

AMEMBASSY JAKARTA

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY CARACAS

AMEMBASSY VIENNA

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SECSTATE FOR S/PRS; LONDON FOR CODEL RIBICOFF/BAKER;

USIA FOR IBS, IPS.

E.O. 11652: NA

SUBJ: CODEL RIBICOFF/BAKER PRESS CONFERENCE AT AIRPORT,

TEHRAN, NOVEMBER 20,1976

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FOLLOWING IS TRANSCRIPT OF PRESS CONFERENCE.

1. SENATOR RIBICOFF: THE ELEVEN OF US HAVE SPENT FIVE DAYS IN IRAN AND IT HAS BEEN A VERY INTERESTING TRIP FOR MOST OF US SINCE THIS IS THE FIRST TIME WE HAVE BEEN HERE. SOME OF THE GROUP HAVE BEEN HERE BEFORE. WE HAVE HAD AN OPPORTUNITY TO TALK AT LENGTH WITH HIS IMPERIAL MAJESTY, THE SHAHANSHAH, THE PRIME MINISTER, THE MINISTER OF DEFENSE. WE HAVE TALKED TO OUR AMBASSADOR AND REPRESENTATIVES OF THE UNITED STATES GOVERNMENT, MOSTLY MILITARY AND DIPLOMATIC. WE HAVE BEEN TO ISFAHAN AND SHIRAZ WHERE WE TALKED TO THE GOVERNORS AND ALSO HAD TWO LARGE MEETINGS WELL ATTENDED WITH SOME 300 AMERICANS, I WOULD ESTIMATE, LISTEN AND TALK WITH THEM, ANSWER THEIR QUESTIONS CONCERNING THEIR ATTITUDES AND WHAT THEY ARE DOING IN IRAN. I BELIEVE THIS IS THE FIRST TIME THAT AN AMERICAN DELEGATION TRAVELLING ABROAD HAS SPENT CONSIDERABLE AMOUNTS OF TIME WITH AMERICANS LIVING IN THOSE AREAS. SPEAKING FOR MYSELF PERSONALLY, AND THEN I WILL ASK ANY OTHER MEMBER OF THE DELEGATION TO MAKE ANY GENERAL COMMENTS SO THEN YOU WOULD BE FREE TO ASK ANY ONE OF US ANY QUESTIONS YOU WOULD WANT. PERSONALLY, I BELIEVE IRAN TO BE A STEADFAST AND IMPORTANT FRIEND. IF THERE WAS ONE COUNTRY IN THIS WHOLE AREA THAT I CONSIDER IMPORTANT FOR THE UNITED STATES, IT IS IRAN. I AM DEEPLY IMPRESSED WITH THEIR COMMITMENT TO THIS FRIENDSHIP, DEEPLY IMPRESSED WITH A COUNTRY WHOSE OIL WEALTH IS BEING PUMPED BACK INTO THEIR OVERALL ECONOMY SO THERE WOULD BE DIVERSIFICATION AND LOOKING TOWARDS THE DAY WHEN A FINITE PRODUCT WOULD NO LONGER BE. THE PEOPLE ARE HARD WORKING, SEEM TO BE MAKING GREAT ECONOMIC PROGRESS, AND I AM SURE THAT MY FEELING TOWARDS IRAN AND ITS RELATIONSHIP WITH THE UNITED STATES IS THE POSITION HELD BY THE OVERWHELMING NUMBER OF PEOPLE OF THE UNITED STATES OF AMERICA. SENATOR BAKER?

2. SENATOR BAKER: MR. CHAIRMAN THANK YOU VERY MUCH. I WOULD LIKE TO MAKE TWO BRIEF OBSERVATIONS IF I MAY. FIRST IS THAT I AM GREATLY IMPRESSED WITH THE GREAT DEPTH OF THE EFFORT TOWARD DEVELOPMENT IN THIS COUNTRY. I BELIEVE IT IS SAFE TO SAY THAT THERE IS NO OTHER COUNTRY IN THE WORLD THAT HAS THE AMBITIOUS PLANNING AND THE WEALTH TO GO WITH IT THAT IS DEDICATED TO PROGRESS THAT YOU FIND IN IRAN, AND I WISH THEM WELL IN THAT RESPECT. I ADMIRE THEIR EFFORTS AND I'M OPTIMISTIC ABOUT THE FUTURE OF THIS

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COUNTRY. THE SECOND IS THAT THIS IS THE ENDING PART OF OUR TRIP. THIS DELEGATION'S TRIP HAS BEEN INTO THE MOST TROUBLED AREA OF THE WORLD, VISITING EGYPT, ISRAEL, JORDAN AND IRAN IN CONJUNCTION WITH OUR MISSION TO ASSESS THE DESIRABILITY OF SELLING NUCLEAR REACTORS IN THIS PART OF THE WORLD AND TO OBSERVE THE GENERAL SITUATION. AS I LEAVE I WANT TO SAY THAT I BELIEVE THIS TIME IS A UNIQUE TIME IN THE HISTORY OF MANKIND AS WELL AS OBVIOUSLY IN THE HISTORY OF THIS AREA. A TIME WHEN YOU ARE AT PEACE,

A TIME WHEN WEALTH IS GREAT AND SIGNIFICANT; A TIME WHEN MILITARY POWER IS GREAT, BUT NOT IN ACTIVE COMBAT. IT IS A TIME WHEN THERE ARE STRONG LEADERS WITH PATIENCE THROUGHOUT THE AREA, AND A TIME WHEN THERE IS AN OPPORTUNITY TO MOVE FORWARD TOWARDS PERMANENT AND DURABLE AND USEFUL PEACE AND I THINK IRAN CAN PLAY A VITAL ROLE IN BRINGING A STABILIZED END TO THAT OBJECTIVE. AND I BELIEVE THAT IF THE WORLD MISSES THIS OPPORTUNITY TO FIND DURABLE PEACE IN THIS PART OF THE WORLD, IT WILL HAVE MISSED A VERY GREAT OPPORTUNITY INDEED, AND ONE THAT MAY NOT REOCCUR IN THE NEAR FUTURE. SO MY PARTING OBSERVATION IS THAT I THINK THE TIME IS RIGHT AND I HOPE THE UNITED STATES CAN BE HELPFUL AS COUNTRIES MOVE IN GOOD FAITH AND IN GOOD CONSCIENCE OF THOSE PRECEPTS.

3. SENATOR GLENN: ONE OF THE PRIME PURPOSES OF OUR TRIP, AS SENATOR BAKER SAID, WAS TO LOOK INTO THE UNCLEAR PROBLEMS. I THINK WE HAVE BEEN PRETTY CONCERNED IN THE STATES ABOUT THE SPREAD OF NUCLEAR TECHNOLOGY AND POWER PLANTS AROUND THE WORLD; TAKING ALONG WITH IT THE POTENTIAL FOR MAKING ATOMIC WEAPONS IF NATIONS GET A REPROCESSING CAPABILITY. SO FAR IN THE WORLD THE NUCLEAR PROBLEM HAS BEEN PRETTY WELL CONTROLLED BUT WE BEGIN TO SEE THE SANDS OF TIME RUNNING OUT WITH WEAPONS CAPABILITY GOING TO MORE AND MORE NATIONS AROUND THE WORLD. THIS WAS DISCUSSED WITH THE SHAH LAST NIGHT, HIS MAJESTY, AND HE INDICATED A VERY GREAT WILLINGNESS TO COOPERATE AS FAR AS WHERE THE NUCLEAR FUEL FOR THE TWENTY SOME PLANTS, NUCLEAR PLANTS, THAT ARE PLANNED FOR IRAN AND WHERE THAT FUEL WILL COME FROM IN THE FUTURE. WHETHER IT WILL BE AN INTERNATIONAL CONSORTIUM THAT FURNISHES THIS FUEL OR WHETHER IT WOULD BE A GUARANTEED FUEL SUPPLY FROM THE UNITED STATES, WHICH, I'M SURE WE CAN HANDLE. BUT HE INDICATED A VERY GREAT WILLINGNESS TO COOPERATE IN THAT AREA AND INDICATED ALSO A VERY GREAT CONCERN THAT WE DO SOMEHOW GET CONTROL OF THIS PROBLEM IN UNCLASSIFIED

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WHICH TECHNOLOGY HAS SPREAD SO WIDELY NOW THAT IT HAS BECOME MORE AND MORE OF A PROBLEM AS TIME GOES ON AND MANY OF US FEEL, THAT AS I SAID, THAT THE SANDS OF TIME HAVE JUST ABOUT RUN OUT ON GETTING CONTROL OF THIS. SO IT WAS VERY HEARTENING AND I THINK VERY FAR-SIGHTED OF THE SHAH, HIS MAJESTY, TO STATE AS HE DID LAST NIGHT HIS WILLINGNESS TO BE EXTREMELY COOPERATIVE IN THAT AREA. WE WERE GLAD TO HAVE THAT INDICATION FROM HIM. THANK YOU.

4. SENATOR GRIFFIN: I WOULD LIKE TO ELABORATE ON YOUR REFERENCES TO OUR MEETINGS WITH THE AMERICAN COMMUNITY. WE TAKE BACK WITH US, I THINK, A BETTER APPRECIATION AND MORE UNDERSTANDING OF TWO PROBLEMS THAT WERE EXPRESSED, AT LEAST I DO. THAT IS THE IMPACT OF THE NEW, SO CALLED TAX REFORM LAW THAT WAS PASSED BY CONGRESS LAST YEAR UPON AMERICANS LIVING ABROAD.

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ONE FEATURE, THE RETROACTIVITY OF IT, WAS PARTICULARLY
DISTURBING TO MANY WHO TALKED TO US AS WELL AS OTHER CHANGES
THAT AFFECT THEM. AND I THINK WE GO BACK AT LEAST WITH A
READINESS TO REEVALUATE THAT TAX REFORM LEGISLATION. ANOTHER

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POINT THAT WAS MADE OVER AND OVER AGAIN WAS WHILE WE HAVE TRIED TO GIVE AMERICANS ABROAD THE RIGHT TO VOTE, WE HAVE SOME WORK TO DO TO MAKE IT A PRACTICAL AND MEANINGFUL RIGHT LARGELY BECAUSE OF THE DIFFICULTY OF MAILING AND THE TIME IT TAKS TO GET APPLICATIONS REGISTERED AND THE BALLOTS BACKE AND FORTH. SO AT LEAST THOSE PRACTICAL PROBLEMS OF THE AMERICAN COMMUNITY ABROAD WILL BE WORKED ON BY SOME OF THOSE, PERHAPS ALL OF US, IN THIS DELEGATION.

5. SENATOR BUMPERS: MR. CHAIRMAN I'M REALLY NOT THE BEST SPOKESMAN ON THIS ISSUE IN THIS GROUP BUT I WOULD LIKE TO SAY IN ANTICIPATION OF QUESTIONS ON THE SUBJECT THAT THE QUESTION OF ARMS SALES WHICH SEEMS TO BE AN INCREASING CONCERN IN THE CONGRESS AND IN AMERICA AND A SOURCE OF APPREHENSION HERE, SHOULD BE UNDERSTOOD IN THE PROPER CONTEXT. THE FACT THAT CONGRESS HAS BECOME INCREASINGLY CONCERNED ABOUT THIS ISSUE IN NOT A DEPREICATION OF THE PEOPLE OF IRAN, IT IS NOT A REPUDIATION OR MISUNDERSTANDING OF THE LONG AND FRIENDLY RELATIONSHIP THE UNITED STATES AND IRAN HAVE ENJOYED. IT DEALS WITH A MYRIAD OF ISSUES. BUT IT BOILS DOWN TO THE FACT THAT THE UNITED STATES, IN MYOPINION, HAS SLOWLY BUT INEXORABLY MOVED TOWARD ALLOWING DEFENSE AND FOREIGN POLICY TO BE SET BY THE ARMS MERCHANTS OF THE WORLD FOR THE UNITED STATES RATHER THAN BY THE CONGRESS AND THE EXECUTIVE BRANCH. I THINK SOME OF THIS HAS BEEN DONE RATHER THOUGHTLESSLY AND MINDLESSLY WITHOUT THE VISION OR PERCEPTION WHERE THIS POLICY MIGHT LEAD US. BUT I DID WANT TO STATE SIMPLY FOR THE RECORD THAT THE PEPPL E HERE SHOULD UNDERSTAND THAT THE UNITED STATES, JUST AS IRAN, MUST TAKE ACTION ON WHAT IT THINKS IS ITS LONG RANGE BEST INTEREST, ITS NATIONAL INTEREST. WE RECOGNIZE THAT IRAN HAS BEEN A GOOD ALLY, WE RECOGNIZE THAT IRAN HAS AT LEAST NOT IN MODERN HISTORY BEEN THE AGGRESSOR, BUT BY THE SAME TOKEN WHEN YOU TALK ABOUT A BALANCE OF POWER IN THE REGION OR A BALANCE OF ARMS WE SHOULD NOT TAKE IT FOR GRANTED THAT THAT IS GOING TO BE A VERY HIGH BALANCE AND IT ISN'T NECESSARY. AND I'M HOPING THAT THE NEW PRESIDENT-ELECT WILL CONSIDER THE ESCALATION OF THE ARMS SALES AROUND THE WORLD, AND NOT JUST IN IRAN, BUT ALL OVER THE WORLD. AND I HOPE THAT THE PRESIDENT-ELECT WILL TAKE THAT AS ONE OF HIS NUMBER ONE PRIORITIES.

6. SENATOR RIBICOFF: GENTLEMEN, I THINK IN ALL FAIRNESS

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SINCE THE QUESTION WAS RAISED, AS I APPRAISE THIS DLEGATION,

I WOULD SAY THAT SENATOR BUMPERS REPRESENTS A DECIDED MINORITY IN THIS DELEGATION. MY FEELING IS, JUST TALKING INFORMALLY-- NO NOTE HAS BEEN TAKEN--THAT MOST OF US APPROVE OF THE RELATIONSHIP BETWEEN THE UNITED STATES AND IRAN. AND CERTAINLY THESE ARE CONTROVERSIAL MATTERS THAT WILL BE TAKEN UP IN CONGRESS, AND MY FEELING IS THAT THE SENATE OF THE UNITED STATES WILL PROBABLY APPROVE. THE OTHER SIDE OF THE QUESTION RAISED BY SENATOR BUMPERS I THINK CAN BEST BE EXPRESSED BY SENATOR CANNON, WHO, IN MY OPINION, IS THE EXPERT IN THIS FIELD. HOWARD, WOULD YOU WANT TO COMMENT ON THIS?

7. SENATOR CANNON: MR. CHAIRMAN, I WOULD SIMPLY SAY THAT I THINK IT IS QUITE EVIDENT THAT IN THE UNITED STATES' BEST INTEREST WE HAVE A VERY STRONG ALLY IN IRAN, AND WE SHOULD TRY TO ASSIST THEM WHERE WE CAN. I'M VERY MUCH IMPRESSED BY THE ABILITY THAT THEY HAVE SHOWN IN THE PAST TO HANDLE RATHER SOPHISTICATED EQUIPMENT THAT HAS BEEN MADE AVAILABLE TO THEM. THEIR REQUESTS NOW DO NOT INVOLVE GRANTS OR LOANS. THEY INVOLVE THE REQUEST TO PURCHASE EQUIPMENT TO UPGRADE THEIR CAPABILITY. CERTAINLY THEY ARE IN A VERY STRATEGIC LOCATION, WITH THE OIL FLOW AS IT IS TO THE WESTERN EUROPEAN NATIONS, TO JAPAN, TO THE UNITED STATES. IF IRAN WERE NOT WHERE IT IS STRATEGICALLY LOCATED AT THE PRESENT TIME, THEN WE WOULD BE IN A MOST DIFFICULT SITUATION, AND SO I FOR ONE, AM IN SUPPORT OF THE REQUEST FOR ARMS SALES. CERTAINLY WE HAVE TO MONITOR THEM. WE CAN'T SELL PERHAPS EVERYTHING THAT WOULD BE REQUESTED, BUT AT LEAST TO PROVIDE THEM A CAPABILITY THAT THEY ARE WILLING TO PAY FOR AND CAN HANDLE WITHIN THE TERMS OF EXPERTISE THAT THEY HAVE AVAILABLE WITH THE UNITED STATES' ASSISTANCE TECHNOLOGICALLY, AND WITH THE UNITED STATES' TECHNICIANS HELPING BUT IN SOME OF THESE ARMS AREAS, I, FOR ONE, BELIEVE THAT THIS IS THE BEST INTEREST OF THE SECURITY OF THE UNITED STATES OF AMERICA, NOT JUST IN THE BEST INTEREST OF IRAN.

SENATOR RIBICOFF: GENTLEMEN, IF THERE ARE NO OTHER COMMENTS, I WOULD BE PLEASED--ALL OF US WOULD BE PLEASED--TO ANSWER QUESTIONS. YOU CAN'T DIRECT YOUR QUESTIONS TO ANY MEMBER AND IN RESPONSE TO YOUR QUESTIONS ANY OTHER PERSON CAN INTERJECT THEIR OWN THOUGHTS AND IDEAS.

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Q. SENATOR EXCUSE ME, THIS IS NASSER SHAGHAFI OF PARS NEWS AGENCY. WOULD YOU SAY, AS FAR AS GEO-POLITICS AND ECON-POLITICS ARE CONCERNED THAT YOU TALKED ABOUT WITH IRANIAN AUTHORITIES?

SENATOR RIBICOFF: I DIDN'T HEAR THE LAST PART.

Q. WHAT DID YOU TALK ABOUT WITH THE IRANIAN AUTHORITIES AS

FAR AS GO-POLITICS AND ECO-POLITICS ARE CONCERNED?

SENATOR RIBICOFF: WELL, I WOULD SAY THAT ON BOTH PHASES
YOU HAVE AN AREA WHERE THE GEOPOLITICS AND OIL COMING FROM THIS
AREA OF THE WORLD ARE ABSOLUTELY ESSENTIAL FOR THE WESTERN
INDUSTRIAL COUNTRIES AND JAPAN. I DON'T KNOW OF ANY OTHER
COUNTRY IN THIS ENTIRE AREA THAT I WOULD RATHER HAVE AS A
FRIEND OF THE UNITED STATES THAN IRAN. I THINK THIS IS THE
ONLY NATION THAT CAN REALLY PROTECT, MILITARILY, THE OIL
LIFELINE WHICH IS SO IMPORTANT FOR THE INDUSTRIAL SURVIVAL OF
THE WEST. I DON'T KNOW WHO ELSE IN THIS AREA COULD TAKE CARE
OF IT. I KNOW OF NO COUNTRY WILLING TO TAKE CARE OF IT. I
KNOW OF NO COUNTRY THAT HAS THE ABILITY TO TAKE CARE OF IT
EXCEPT IRAN. AND, I THINK REALISTICALLY AMERICA MUST LOOK AT

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THIS. FROM AN ECO-POLITICAL STANDPOINT THERE IS NO QUESTION
THAT THERE'S BEEN A GREAT SHIFT OF WEALTH TO THIS ENTIRE AREA
OF THE WORLD, AND THEY PLAY A VERY VITAL ROLE. THE MONEY, AND THE
SURPLUSES BEING GENERATED BY OIL WEALTH FINDS ITS LEVEL AND
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FINDS ITS INVESTMENT IN EVERY COUNTRY OF THE WORLD. FURTHER,
IRAN SEEMS TO BE A COUNTRY DIFFERENT THAN THE OTHERS BY
TAKING ITS OIL WEALTH AND REINVESTING IT FOR THE FUTURE OF ITS
OWN PEOPLE. OUTSIDE OF THE MILITARY SALES, THE UNITED STATES
SUPPLIED ABOUT 20 PERCENT OF IRAN'S IMPORTS. IT IS VERY OBVIOUS
THAT IRAN IS A VERY, VERY IMPORTANT TRADING PARTNER OF THE
UNITED STATES AND THE UNITED STATES ECONOMY SEPARATE AND APART
FROM ITS MILITARY SALES. IT IS ALSO OBVIOUS WITH ALL THE GREAT
ECO-POLITICAL STRENGTH OF THIS AREA THAT THE WHOLE WORLD HAS TO
TAKE IT INTO ACCOUNT. I DON'T KNOW WHAT WILL HAPPEN IN THE
NEXT TWO WEEKS, I THINK DECEMBER 20TH IN OPEC. BUT I WOULD
SUGGEST THAT THE TIME HAS COME FOR VERY SERIOUS CONVERSATIONS
AND CONSULTATIONS BETWEEN THE OIL PRODUCING COUNTRIES AND THE
OIL-CONSUMING COUNTRIES. AMERICA HAS NOT HAD AN OIL POLICY. I
DON'T THINK THE CONSUMING NATIONS HAVE HAD AN OIL POLICY. WE
HAVE TO HAVE AN OIL POLICY. WITHOUT QUESTION, I CAN UNDERSTAND
THE CONCERN OF THE OIL-PRODUCING COUNTRIES ON INFLATIONARY IMPACT.
THIS IS A CONTINUOUS ARGUMENT. WHO IS RESPONSIBLE FOR INFLATION?
THE RISE OF OIL PRICES BECAUSE OF THE RISE IN THE GOODS THAT THEY
BUY. AS YOU KNOW, THERE'S A DIFFERENCE OF OPINION BETWEEN
SECRETARY KISSINGER AND SECRETARY SIMON. SECRETARY KISSINGER
THOUGHT THAT THE TIME HAD COME TO DISCUSS INDEXING AND THE
PRICE OF OIL. SECRETARY SIMON WAS VIOLENTLY OPPOSED. I
HAPPENED TO THINK PERSONALLY THAT SECRETARY KISSINGER WAS
MORE RIGHT AND THAT SECRETARY SIMON WAS SO UNREALISTIC IN
THINKING THAT THE PRICE OF OIL WOULD GO DOWN. I DON'T SEE HOW
THE PRICE OF OIL CAN GO DOWN. SO I HOPE THAT, IRRESPECTIVE OF
WHAT HAPPENS ON DECEMBER 20TH, THAT THE UNITED STATES WOULD TAKE
THE LEAD IN TRYING TO CALL A MEETING OF THE OIL-PRODUCING AND
OIL-CONSUMING COUNTRIES TO WORK OUT AN OVERALL POLICY ON WHAT
HAPPENS WITH OIL IN THE FUTURE.

Q. WOULD YOU SAY IF YOU TALKED WITH THE GOVERNMENT OF
IRAN REGARDING THE PRICE OF THE OIL WITH THE IRANIAN AUTHORITIES?

SENATOR RIBICOFF: DID WE DISCUSS IT? YEN, WE EXPRESSED OUR DEEP CONCERN. THERE ISN'T A PERSON IN THIS DELEGATION WHO ISN'T CONCERNED WITH THE PRICE OF OIL. THE AMERICAN ECONOMY AND THE ECONOMIES ACROSS THE WORLD ARE IN A GRAGILE POSITION. THE RECESSIIN AND UNEMPLOYEMNT IS HIGH IN MANY COUNTRIES OF THE WORLD AND CERTAINLY THE THIRD WORLD COUNTRIES

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EXPECIALLY. AMERICA IS STARTING TO COME OUT OF ITS RECESSION. A CONTINUED RISE IN THE PRICE OF OIL WILL HURT THE AMERICAN ECONOMY. I THINK IT WILL HAVE A DEVASTATING IMPACT ON COUNTRIES LIKE ENGLAND AND ITALY. I DON'T KNOW HOW THE THIRD WORLD POSSIBLY COPE WITH AN INCREASE IN THE PRICE OF OIL AND, THEREFORE, IT WAS MY HOPE THAT THERE WOULD BE A DEFERL OF THE PRICE RISE IN DECEMBER. BUT I WOULD SAY, FROM WHAT WE CAN GATHER, THAT DOESN'T SEEM A VERY ECNOURAGING POSITION. I WOULD GUESS THAT THEY WOULD PROBABLY RAISE THE PRICE OF OIL WHEN OPEC MEETS. I WOULD HOPE THAT THEY TAKE INTO ACCOUNT THEIR OWN SITUATION, THE CONTINUING ESCALATION OF INFLATION WITH ANY PRICE OF OIL, AND THAT BY KEEPING IT AS LOW AS POSSIBLE, LOOK FORWARD TO EARLY MEETINGS NEXT YEAR TO TRY TO STRAIGHTEN OUT THIS WHOLE ESCALATION OF THE PRICES OF OIL AND THE PRICES OF OTHER GOODS.

SENATOR BAKER: MR. CHAIRMAN, COULD I JUST SAY A WORD ON THAT SUBJECTAM IT WON'T TAKE BUT JUST A MINUTE. I SAID A MINUTE AGO THAT IRAN IS BECOMING A GREAT POWER, WITH GREAT WEALTH AND GREAT INFLUENCE FOR PEACE IN THIS REGION. AND THAT WITH THAT GOES CERTAIN RESPONSIBILITIES; CLEARLY, THE RESPONSIBILITY FOR ITS OWN NATIONAL DEFENSE, THE SECURITY OF ITS BORDERS, THE DEVELOPMENT OF A HIGHER STANDARD OF LIVING FOR ITS COUNTRY, FOR ITS PEOPLE. AND I COMMEND IRAN FOR ALL THOSE THINGS. THERE ARE A COUPLE OF OTHER THINGS THAT OCCUR TO ME IN THAT CONNECTION ON THE QUESTION OF IRAN'S RELATIONSHIPS AND ECO AND GO-POLITICAL CONSIDERATIONS. ONE HAS TO DO WITH THE UTILIZATION OF SOME FRACTION OF THIS WEALTH FOR THE HELP OF OTHER PEOPLE. AND I WAS PLEASED TO LEARN FROM HIS MAJESTY LAST NIGHT THAT LAST YEAR IRAN DECICATED ONE PERCENT OF ITS GNP, ITS GROSS NATIONAL PRODUCT, IN LOANS AND GRANTS TO OTHER COUNTRIES. BUT THERE IS ONE OTHER THING AND THAT'S THE ONE THAT SENATOR RIBICOFF WAS SPEAKING OF AND THAT IS A SENSE OF RESPONSIBILITY TO THE GENREAL ECONOMIC ORDER OF THE WORLD. AND I HPE AND I TRUST THAT IRAN AND OTHER OIL-PRODUCING COUNTRIES WILL TAKE ACCOUNT OF THE FACT THAT A JOLTING BIG INCREASE IN OIL PRICES COULD BRING DOWN THE TEMPLE. IT COUD IDSRUPT THE ENTIRE CEONOMIC SYSTEM IN THE FREE WORLD. I UNDERSTAND I HAVE NO RIGHT TO ADVISE THIS COUNTRY ON HOW IT SHOULD PRICE ITS COMMODITIES BUT I THINK ONE OF THE INDICES OF RESPONSIBILITY FOR A GREAT WORLD POWER IS TO UNDERSTAND THE NEEDS, THE REQUIREMENTS AND THE REALITIES OF THE ECONOMIC SITUATION OF OTHER

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COUNTRIES. SO, IRAN IS GROWING TO A POSITION OF WORLD STRENGTH, BUT WITH THAT GROWTH COMES CONCOMITANT RESOONSILITIES AND ONE OF THEM IS THE RESPONSIBILITY OF MOERATION IN THE PRICING OF ITS COMMODITIES.

Q. IN YOUR TALKS WITH IRANIAN LEADERS DID YOU, IN FACT, COUNSEL THEM OR ADVISE THEM THAT MAYBE THEY SHOULDN'T RAISE THE PRICE OF OIL?

SENATOR RIBICOFF: I THINK THIS POINT WAS MADE BY ALL OF US. I THINK THERE ISN'T A MAN HERE WHO DOESN'T RECOGNIZE THE IMPACT UPON HIS OWN CONSTITUTENTS AND ALSO UPON AMERICAN AND THE ENTIRE WORLD. AND WE POINTED THIS OUT TO THEM. ON THE OTHER HAND, THEY TOOK THE POSITION THAT NO ONE WAS ASKING THEM WHETHER WE SHOULD RAISE THE PRICES OF OCMMODITIES THAT ARE BEING SOLD TO THE OIL-PRODUCING COUNTRIES. AND THEY FIND THAT THE GOODS THAT THEY BUY KEEP ON INCREASEING. OF COURSE, AGAIN IT'S THE OLD CHICKEN AND THE EGG PROBLEM. WHAT IS CAUSING THE INCREASE OF

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PRICES? CERTAINLY TO INCREASE THE PRICE OF OIL WILL CAUSE
AN INCREASE IN THE PRICE OF ALL OTHER GOODS. AND THAT IS WHY
I SAY IT IS SO IMPORTANT FOR THE NEXT ADMINISTRATION TO HAVE AN
ENERGY POLICY AND AN OIL POLICY. EVERYTHING THAT ANYONE HAS
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TRIED TO DO HAS BEEN SHOT DOWN, WHETHER IT IS THE PARIS CONFERENCE,
THE NORTH-SOUTH CONFERENCE, THE CIEDC CONFERENCE IN PARIS,
NOTHING HAS GOTTEN ANY WHERE, AND IT IS UNDERSTANDABLE WHY.
THE UNITED STATES HAS NO LIL POLICY, NO ENERGY POLICY. IF
THE UNITED STATES IS WITHOUT AN ENERGY POLICY THE WORLD IS
WITHOUT AN ENERGY POLICY BECAUSE THE UNITED STATES IS A KEY.
SO THE UNITED STATES HAS A RESPONSIBILITY OF LEADERSHIP AND,
OF COURSE, PRESIDENT FORD HAD DIVIDED COUNSEL. HE HAD DIVIDED
COUNSEL FROM THE SECRETARY OF STATE AND SECRETARY OF THE
TREASURY. I WOULD HOPE THAT THE NEXT PRESIDENT WOULD HAVE A
CABINET IN PLACE THAT WOULD HAVE AN OVERALL POLICY THAT WOULD
BE APPROVED BY THE CONGRESS, WHICH HAS BEEN AT FAULT, TOO. I
MEAN, I DON'T WANT TO SAY THAT IT HAS JUST BEEN THE EXECUTIVE
BRANCH. CONGRESS HAS HAD A DIVIDED COUNSEL ON WHAT TO DO WITH
ENERGY AND OIL. AND SO WE HAVE HAD A DRIFT IN THE LEGISLATIVE
BRANCH AND THE EXECUTIVE BRANCH ON AN ENERGY AND AN OIL POLICY,
AND I HOPE THAT DURING THE NEXT YEAR WE CAN COOPERATE TO GET AN
AMERICAN POLICY.

1. WAS THERE ANY INDICATION OF LINKING THIS POSITION ON AN
OIL PRICE RISE WITH AMERICAN ARMS SALES TO IRAN?

SENATOR RIBICOFF: NOT AT ALL. THERE WASN'T A SINGLE
THING MENTIONED BY EITHER SIDE. NO ONE....I THINK THAT LINKAGE

IS COMPLETELY OUT OF ORDER. IT WASN'T DISCUSSED WITH ANYONE DIRECTLY, INDIRECTLY, FORMALLY OR INFORMALLY. THERE WAS NO DISCUSSION ABOUT THAT.

SENATOR GRIFFIN: ABE, I THINK IN ADDITION TO URGING THAT THERE MUST BE RESTRAINT IN THE PRICES OF OIL THERE WAS ALSO THE SUGGESTION THAT YOU MADE THAT IT MIGHT BE USEFUL TO DELAY THE OPEC MEETING. OF COURSE, THAT IS NOT OUR DECISION TO MAKE BUT THERE HAVE BEEN REPORTS IN THE NEW YORK TIMES AND OTHER PAPERS THAT THAT MAY BE UNDER CONSIDERATION. FROM OUR POINT OF VIEW IT WOULD ALLOW THE NEW ADMINISTRATION TIME TO GET ORGANIZED AND HAVE AN OPPORTUNITY TO PARTICIPATE TO SOME EXTENT IN THE DIALOGUE PARTICULARLY AS CONSUMING NATIONS CAN BE BROUGHT INTO IT.

Q. HOW BIG A DELAY ARE YOU TALKING ABOUT?

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SENATOR RIBICOFF: WELL, THE SUGGESTION CAME FROM ME, BUT I MUST CONFESS IT WASN'T VERY ENTHUSIASTICALLY RECEIVED. MY THOUGHT WAS THAT WE HAD A NEW PRESIDENT COMING IN; WE WOULD HAVE A NEW SECRETARY OF STATE AND NEW SECRETARY OF THE TREASURY; THAT I WOULD HOPE THAT SUFFICIENT TIME WOULD BE ALLOWED TO ELAPSE TO LET A NEW PRESIDENT COME OUT WITH A NEW POLICY AND CONSULTATIONS. BUT YOU SENSE A CERTAIN IMPATIENCE WITH THE CONSUMING COUNTRIES, IN THEIR FAILURE TO HAVE A CONSERVATION POLICY, TO HAVE AN ENERGY POLICY, TO MOVE AT A FASTER SPEED IN ALTERNATE SOURCES OF ENERGY. BUT I DIDN'T, NONE OF US GOT MUCH ENCOURAGEMENT THAT THERE WOULD BE SUCH A DELAY. WE MADE OUR POSITION AS CLEAR AS WE COULD AND YET THESE ARE INDEPENDENT COUNTRIES WHO ARE GOING TO DO THEIR OWN THING. THEY ARE DIVIDED. I DON'T THINK THERE IS A UNIFORM POLICY AS TO WHAT COURSE TO TAKE IN THE PRICE. I DON'T THINK THAT THE PRICE HAS BEEN DETERMINED AS OF YET FROM OUR CONVERSATIONS. BUT IT IS BEING PUT IN PLACE AND MY HUNCH IS IT WILL BE DETERMINED, AND OUR HOPE IS THAT IT WILL BE MINOR.

SENATOR BUMPERS: MR. CHAIRMAN, IF I MAY IN RESPONDING TO THAT JUST FOR A FEW SECONDS. I'M ON THE INTERIOR COMMITTEE, AND I WOULD LIKE TO OFFER SOME SMALL DEFENSE FOR THE UNITED STATES IN THE ENERGY FIELD. IT'S TRUE THE ONLY ENERGY POLICY THE UNITED STATES CAN IMPLEMENT THAT WOULD BE MEANINGFUL RIGHT NOW IS THE POLICY OF CONSERVATION. AND I'M HERE TO SADLY CONFESS THAT, BECAUSE OF LACK OF LEADERSHIP IN BOTH CONGRESS AND THE EXECUTIVE BRANCH, THERE HAS BEEN NO HONEST CONSERVATION EFFORT MADE. SO WE STAND GUILTY AS ACCUSED ON THAT POINT. ON THE OTHER HAND, THE CONGRESS HAS JUST APPROPRIATED OVER SEVEN BILLION DOLLARS TO THE ENERGY, RESEARCH AND DEVELOPMENT ADMINISTRATION TO TRY TO FORMULATE, TO TRY TO DEVELOP ALTER-

NATIVE SOURCES OF ENERGY. BUT THE KINDS OF ENERGY WE'RE TALKING ABOUT THAT WILL SOLVE THE PROBLEM DON'T JUST OCCUR OVERNIGHT. WHEN YOU TALK ABOUT FUSION, WHEN YOU TALK ABOUT HYDROGEN, WHEN YOU TALK ABOUT BREEDER REACTORS, YOU ARE TALKING ABOUT 10 TO 25, AT LEAST 25 YEARS OF RESEARCH. EVEN WHEN YOU TALK ABOUT THE CONVERSION OF COAL TO LIQUEFACTION OR GASIFICATION, THE ONLY KNOWN TECHNOLOGY REALLY IS WHAT IS CALLED THE LYRGI PROCESS WHICH IS A GERMAN PROCESS. THE GERMANS DID IT DURING WORLD WAR II, BUT ENVIRONMENTALLY IT IS NOT ACCEPTABLE. ALMOST EVERYBODY WHO WORKED IN THE GERMAN LYRGI PLANTS DURING

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WORLD WAR II CAME DOWN WITH CANCER WITHIN TEN YEARS AFTER THE WAR. SO IT ISN'T AS THOUGH WE'RE DOING NOTHING. OVER TWO BILLION DOLLARS OF THAT IS IN THE NON-NUCLEAR FIELD. SO WE'RE TRYING AND, ULTIMATELY, SOME DAY, WE HOPE TO SHARE THIS TECHNOLOGY WHICH WE'RE TRYING DESPERATELY TO CREATE AND DEVELOP. WE HOPE TO SHARE THIS WITH THE REST OF THE WORLD. I ADMIT WE'VE BEEN LAX, WE'VE BEEN LAGGARD IN A LOT OF AREAS BUT IT IS NOT AS THOUGH WE'RE DOING NOTHING.

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